Environmental Protection Agency

Recycling Electronics and Asset Disposition (READ) Services

Statement of Objectives

I. Introduction

The Environmental Protection Agency's (EPA) Office of Environmental Information's (OEI) vision is to promote and advance the disposition, reclamation, reuse, and recycling of electronic assets held throughout the Federal sector in order to enhance public health and environmental protection. OEI's Recycling Electronics and Asset Disposition (READ) contract provides the Government sector with a procurement tool to properly manage electronic inventories and to recycle and properly dispose of excess or obsolete electronic personal property in an environmentally responsible manner.

The Office of Technology, Operations, and Planning (OTOP) is the Agency focal point for policy, management, and implementation of EPA's information technology (IT) infrastructure, and oversight of Federal and Agency IT statutes, regulations, and standards. OTOP sets hardware, software, and telecommunications standards and operates EPA's internal information technology infrastructure and organizes strategic planning for IT and security. OTOP provides this broad range of information and technology services through its four supporting organizations. These organizations are the IT Policy and Planning Division (ITPPD), the Technology Information Security Staff (TISS), the National Technology Services Division (NTSD), and the HQ and Desktop Services Division (HDSD).

HDSD, located in Washington, DC, is within OEI/OTOP and is responsible for providing a full range of local area network (LAN) services at different levels EPA-wide as well as desktop service throughout EPA. Under the READ contract, HDSD will serve as the technical liaison to EPA offices and other Federal agencies for IT and electronic equipment disposition, de-manufacturing, reclamation, and recycling services. In addition, EPA's Office of Solid Waste (OSW) will provide technical support regarding environmental regulatory issues related to electronic reuse and recycling.

II. Background

This EPA contract will fulfill an Agency requirement for the recycling of electronic equipment, proper disposition of electronic assets, and documentation of assets' final destination as part of EPA's ongoing mission to protect the environment. EPA recognizes that there is a Government-wide need to address an expected avalanche of obsolete electronic equipment, primarily personal computer workstations, in the near future. According to a study by the National Safety Council, over 30 million personal computers become obsolete each year in the U.S. alone, with higher numbers likely to follow. In 2002 alone, approximately 130 million new personal computers were shipped worldwide. Numerous Federal Departments and Agencies

have thousands of pieces of electronics equipment inventoried in warehouses awaiting disposition from the GSA. Other electronic devices such as printers, copiers, scanners, Local Area Network (LAN) servers and related peripherals, audio/visual equipment, facsimile machines, telephones, palm pilots and cellular phones pose a similar threat to the environment as they become obsolete. All of this equipment contain components that may be recycled and/or reused, including: capacitors, circuit cards/boards, copper wiring, modules, switches, memory chips, batteries, and such basic material as glass, lead, metals, and plastics.

As advancements in software technology force more products into the waste stream, this equipment will pose significant environmental hazards if not properly disposed or recycled. The Federal Government must take the lead in addressing this national issue. Given EPA's mission to protect human health and the environment, EPA has the desire and the expertise to lead the Federal sector in this endeavor.

This Recycling Electronics and Asset Disposition contract goes beyond the simple process of a contractor picking up truckloads of obsolete equipment and charging a set fee based on the weight of that load. Due to security concerns associated with the potential compromise of confidential, proprietary and sensitive business information contained in most equipment (i.e. hard drives, memory chips in scanners and facsimile machines, etc.), as well as environmental concerns regarding the final destination of the potentially toxic substances contained in all electronic components, EPA plans to establish a multiple-award, Government Wide Acquisition Contract (GWAC) to fulfill all aspects of electronic recycling and asset disposition.

III. Objectives

The objective of this READ contract is to offer clients a variety of methods for the proper disposal of electronic assets, including: refurbishment and redeployment within the requiring Agency; reconfiguration and re-marketing of electronic material for either donation to Federal programs, such as Computers for Learning in accordance with Executive Order 12999, or resale within other markets; reclamation of the assets by de-manufacturing; tracking and reporting on the final destination of major electronic items; and recycling electronic components that have been removed by the de-manufacture process. The most important aspect of the services to be provided is contractor assurance that sensitive information stored in the electronics is properly sanitized and that an audit trail is created to track and report on the equipment's final destination.

The multiple award contracts for recycling and refurbishing electronics equipment will provide EPA and other participating agencies with an opportunity to turn liabilities into assets, expenses into profits, and set the national standard for properly recycling and disposing of aging electronic equipment. EPA will establish a process that will continually inventory excess equipment to determine which personal computer workstations and/or electronic items can be refurbished and used in other parts of the Agency, which items can be donated to other Agencies or qualified recipients (i.e., GSA's Federal Property Reuse Program qualifies eligible recipients), and which electronic items need to be recycled through the de-manufacture and reclamation process. Equipment that has been stored for extended periods of time is most likely non-

reusable.

Once established, the overall contract objective will be to offer and provide READ services to other Federal entities and environmental partners of the Federal Electronics Challenge (FEC) through GWAC procedures. An EPA GWAC will provide the Federal electronic community with an opportunity to fulfill the need for these services.

IV. Scope

EPA will establish Fixed Rate-Indefinite Delivery/Indefinite Quantity (FR-ID/IQ) performance based contracts with multiple contractors for the following types of services:

(1) Refurbishment of electronic equipment provided by customer agencies and identification of markets to resell that equipment at market rates. If reselling the equipment results in a profit for the Agency, the contractor will share in the revenue generated as an incentive to enhance performance. For example, if a PC with a Pentium II, 500MHz processor is reconfigured with a 1 GHz processor and resold for $100 over the cost to the company for refurbishing and remarketing the item, the contractor will receive a share in those revenues. This will require the establishment of an efficient property surplus procedure early in the inventory process. The longer the equipment remains unused, the less valuable it becomes.

(2) Logistical assistance for items either donated to charitable causes or redeployed within the Federal sector. Logistics may include a variety of tasks associated with asset disposition services, such as transportation requirements associated with picking up the equipment; coordinating pick-up efforts at a variety of locations (e.g., some agencies may have one or two PC workstations at different locations throughout the country); delivering the equipment to the recycler, if necessary (e.g., monitors to a glass recycler, CPU covers to a plastics recycler, etc.); and/or delivering the excess equipment to a central location that will be redistributed at a later date. Customer agencies who provide the equipment will be given the first opportunity to utilize refurbished items. If items are not claimed, or an employee buy-back program is not in effect, the contractor will assist in donating refurbished equipment to educational institutions, per the requirements of Executive Order 12999, other allowable charities, or other Government Agencies in accordance with General Services Administration's (GSA) Federal Property Management Regulations (FPMR) excess property procedures.

(3) Dismantling and recovery of electronic equipment that has been determined to be beyond an upgrade or refurbishment. Reclamation of this type of equipment will involve a determination regarding which components can be recycled for possible use in other equipment, which components can be resold on the commercial market, and which parts have no useful market value whatsoever and must be properly disposed or recycled.

(4) Determining proper and safe methods for disposal of components and equipment that have no useful market value. The contractor shall, in accordance with applicable laws and regulations, obtain approval from the customer agency for the method of disposal. The

contractor shall be responsible for the proper recycling and/or disposal of the identified equipment.

(5) All items that are recycled or disposed must have an audit trail on the equipment's final destination. For electronic items handled, the contractor shall provide certification on the final disposition by the primary component serial number. For a desktop system, the primary components are typically considered the CPU, the monitor, and the printer. If a customer agency requires more detailed tracking information, such as the manufacturer brand name; manufacturer's barcode, model number, peripheral serial numbers (keyboard/spekers/mouse); the client's asset tracking number; and any internal configuration information such as processor speed, hard drive size, memory size, etc., then the customer agency will specify that level of detail in the request for proposal so that contractors can provide pricing commensurate with the required level of reporting.

For all of these possible scenarios, the contractor will perform complete inventory reconciliation for reporting purposes and will provide a real-time, on-line audit trail of the electronic components handled. The contractor will also provide documentation for the Agency's records regarding the final disposition and destination of all electronic equipment items.

V. Acquisition Approach

The READ acquisition will result in a multiple award, performance based task order contract for the provision of a wide variety of electronics recycling and disposition services. The resulting contract will have a one-year period of performance with four one-year option periods. The goal of this acquisition is to improve the disposition process of electronic equipment throughout the Federal sector, decreasing the amount of equipment inventoried, increasing the amount of electronic components that are recycled, while reducing the amount of electronic waste sent to landfills. Through performance based contracting, EPA envisions a process whereby contractors propose strategic methods and innovative solutions to resolve the electronics disposal problems facing each requiring activity.

The contractor shall be responsible for addressing the requiring Agency's desired results and outcomes and, in turn, determining the most effective means by which an Agency's performance objectives will be fulfilled. Performance-based efforts represent a challenge to the contractor by requiring development and application of innovative and efficient approaches for achieving results and meeting or exceeding performance expectations and standards. Typical standards that will be measured include cost control, timeliness and completeness of deliverables, problem resolution, business relations, quality of work performed, and whether or not the deliverable assists the Agency in meeting its recycling goals as identified in the task order. Under the resulting GWAC, a Federal entity will provide READ contractors with a detailed description of their electronic assets. Each contractor will propose an appropriate method and solution for addressing the potential resale, reclamation, remanufacture, and/or recycling process to be used for the identified electronic property. Contractor selection will be

made on a best-value basis, all factors considered.

This Statement of Objectives does not provide specific details on the types of solutions to be offered, the comprehensiveness of any specific solutions, nor any specific performance levels/metrics that must be associated with any specific area. However, the Government will require READ contractors to offer comprehensive solutions that:

(1) are based on an understanding of the current electronics recycling requirements and associated Federal laws and regulations that govern electronics recycling;
(2) provide the scope of services that are responsive to the present and future needs of the READ contract user community and its stakeholders;
(3) ensure that performance levels are set and achieved in all functional areas to ensure satisfactory levels of service;
(4) allow OTOP/HDSD to offer a wide variety of competitively priced services to potential customers of this contract; and
(5) ensure an appropriate level of security based on industry best practices for handling and disposing of sensitive information contained in most electronics equipment, including an audit trail that tracks each components final destination.

In order to meet our objectives under this contract, EPA requires these services to be provided and available on a nationwide basis. We envision that this service will be required at all of EPA's Regional Offices and Laboratories. Other Federal entities that utilize this contract will also have a need to fulfill the asset disposition requirements of their regional offices.

Since the pace of change in the information technology and telecommunications marketplace makes it impossible to fully anticipate how individual EPA requirements will evolve over the life of this contract, the Contractor will be expected to incorporate innovative and emerging technologies that improve performance in the most economic and efficient manner.

The following are general and specific functional tasks that are considered part of this requirement.

General Functional Tasks

- Management
- Workload Reporting
- Security

Technical Functional Tasks

- Recycling
- Reclamation
- Disposition Reporting
- Audit Tracking
- Technical Consulting

VI. Compliance Requirements

In order for contractors to perform these requirements in an environmentally responsible manner, the following compliance areas must be addressed when handling any electronic materials to be recycled.

A. Compliance with Laws

The contractor shall comply with all Federal, state, and local laws and regulations relating to the duties, obligations, and performance requirements under this contract, including all Environmental laws such as the Clean Air Act (CAA), Clean Water Act (CWA), Comprehensive Environmental Response, Compensation and Liability Act (CERCLA or Superfund), and the Resource Conservation and Recovery Act (RCRA) as well as Occupational Safety and Health Administration (OSHA) laws and regulations. The contractor shall be responsible for procuring all licenses, paying all fees, and fulfilling all legal obligations associated with performance of this requirement.

B. Hazardous Material, Hazardous Substance, and Hazardous Waste Requirements

Any material which is capable of posing an unreasonable risk to health, safety, and property during transportation must be handled in accordance with appropriate rules and regulations. All materials that are considered hazardous appear in the Hazardous Material Table (HMT) found at 49 CFR 172.101. In addition, any item identified by OSHA, the Toxic Substances Control Act (TSCA), or by any other Federal, State, or local agency or regulation as a hazardous material must be handled accordingly.

Any hazardous materials that require a report to the National Response Center when spilled is also considered a Hazardous Substance (HS). A list of reportable quantities of HS can be found at 40 CFR 302.4 and 49 CRR 172.101, Appendix A. For identification purposes during transportation, a HS is further defined as a material, including mixtures and solutions, that is included in the Appendix of the HMT, found at 49 CFR, 172.101, which meets or exceeds the reportable per container quantity listed in the HMT appendix.

With regard to hazardous waste (HW), before any items can be classified as HW, it must first be considered a solid waste. A solid waste is defined at 40 CFR Part 261.2 as any discarded material in any physical state (solid, liquid, gas or a combination thereof). An item is defined as HW if one of the following conditions are met: (1) any solid waste that is regulated under RCRA or state regulation, (2) an EPA waste code (40 CFR Subpart C and D) can be assigned, and (3) the item is included on one of the four lists found at 40 CFR 261, Subpart D.

Obsolete electronics intended for reuse are not considered to be solid or hazardous wastes under the Resource Conservation and Recovery Act (RCRA). Obsolete electronics that are intended for recycling or disposal may be considered solid or hazardous wastes, depending upon

applicability of EPA or state rules. In order to encourage e-waste recycling, as opposed to its landfilling or incineration, both EPA and the states have streamlined requirements (in the form of exemptions, exclusions and reduced requirements) to facilitate the collection and recycling of some types of e-waste. It is incumbent upon the entity handling the e-waste to be knowledgeable of any applicable EPA or state controls for hazardous wastes, as well as non-hazardous wastes, and to comply with all such requirements.

C. Security Compliance

When Government property is on the contractor's facility, the contractor shall provide adequate security to prevent theft or loss of the electronic property. The contractor must have the ability to document custody and control of the items provided for de-manufacture and must ensure item accountability until the items provided are either de-manufactured and sold or otherwise disposed of properly. Immediately upon discovery of theft, the contractor shall notify the Contracting Officer and Project Officer.

Performance under this contact neither requires nor authorizes the contractor to handle classified property or documents. Should contractor employees come into actual or suspected possession of classified property or documents, the contractor shall immediately secure such documents or property from both physical loss and compromise. Classified information is considered any documentation that requires specific authorization prior to having access to that information. The definition of classified property or documentation will be dependant upon the agency utilizing this contract. The level of compliance associated with classified information and the methods to be used for handling this information will be specifically addressed in the individual task orders to be issued. The contractor shall immediately notify the Contracting Officer and Project Officer regarding which activity provided the classified material.

Any additional requirements will be specifically identified under individual task orders to be issued under the resulting contracts.